

May 15, 2026

The Honorable V. Susan Sosnowski
Chairwoman, Senate Environment & Agriculture Committee
Rhode Island State House
Providence, Rhode Island 02908

RE: S-2354 – Resolution Requesting the Rhode Island Public Utilities Commission to Terminate Gas Line Extension Allowances As Part of Docket 25-45-GE

Dear Chairwoman Sosnowski:

On behalf of Rhode Island Energy, I write in **opposition** to S-2354, which requests the Public Utilities Commission (PUC) to terminate gas line extension allowances. This bill mischaracterizes the Company's gas line extension policy as a socialized cost among the existing customer base when the policy protects existing customers from subsidizing new customers connecting to the gas system. **If the changes proposed in this resolution were implemented, it could increase new customer costs, threaten the state's economic health and competitiveness, and drive adoption of costlier, higher emitting resources for home heating.**

Rhode Island Energy provides essential energy services to more than 770,000 customers across the state through the delivery of electricity and natural gas. Our team of 1,300+ union and non-union employees is dedicated to helping Rhode Island customers and communities thrive, while supporting the transition to a cleaner energy future in a safe, reliable, and affordable manner.

While S-2354 aims to end "gas line extension allowances" in the state, Rhode Island Energy's policy today does not put existing customers on the hook for new connections. Instead, the Company's gas tariff imposes a detailed economic analysis on new gas interconnection requests to determine if the costs of interconnecting would add any incremental costs to existing customers. When the cost of new construction exceeds the expected customer revenues, the new customer is responsible to make a Contribution in Aid of Construction (CIAC) payment to offset incremental costs, protecting existing customers from subsidizing new gas line extensions.

Rhode Island Energy fully supports the state's climate goals, but we also recognize the importance of making the energy transition affordable for homeowners, businesses, and industries across the state while preserving customer choice. **This bill would result in higher upfront costs for new customers and result in negative economic effects by deterring new business and industry from locating in the state.** While this bill intends to drive electrification and deter new customers from choosing natural gas for heating, the existing CIAC structure already incentivizes customers to weigh all heating fuel options and choose their preferred solution.

Moreover, while the proposed Resolution references the Executive Climate Change Coordinating Council's (EC4) 2025 Climate Action Strategy, nowhere in that report is a recommendation to make the changes contemplated here. **Ending gas line extension allowances in this manner may ultimately lead customers to shift to other, higher emitting fuels** (e.g., home heating oil).

Nicholas S. Ucci
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At a time when energy affordability is front and center in the debate on energy policy in Rhode Island, we should not be creating additional barriers that would exacerbate this challenge.

Respectfully, Rhode Island Energy believes S-2354 is premature and preempts regulatory guidance, such as the PUC's Future of Gas docket (22-01-NG). For all these reasons, we urge the Committee to reject S-2354.

Thank you for your attention to this matter.

Regards,

A handwritten signature in blue ink, appearing to read "NSU".

Nicholas S. Ucci
Director of Government Affairs

CC: The Honorable Members of the Senate Environment & Agriculture Committee
The Honorable Alana M. DiMario, Rhode Island Senate